

bübs

ASX: BUB
Bubs Australia

bübs®

TURNAROUND TO GROWTH

5th Annual China Conference

28th October 2021

 **SelectEquities**





Growing Generation Joy™



Creating new generations of happy, healthy bubs[®]

GOODNESS

We believe in wholesome, healthy food and a positive approach to life.

HONESTY

We believe in 100% transparency, this is 'clean' food from a brand you trust.

VERY BEST

We believe in being thorough and uncompromising, sticking to our ethics no matter what.

PLAYFULNESS

We believe in the joy of family time, the pleasure of sharing happy moments and being together.

Q1 FY22 FINANCIAL HIGHLIGHTS

Turnaround to accelerated growth across core markets and products, with robust balance sheet and positive quarterly cashflow.

\$18.5m

Group Gross Revenue¹

+96% pcp

+124%

Total Bubs® Infant Formula gross revenue¹ growth pcp

+35%

Scan sales value growth² pcp in Woolworths, Coles and Chemist Warehouse.

+156%

China gross revenue¹ growth pcp (Daigou, CBEC & General Trade)

+154%

International gross revenue¹ growth pcp Bubs® Infant Formula

6.5x

Daigou gross revenue¹ growth pcp Bubs® Infant Formula

\$28.3m

Cash reserves at 30.09.21
Cashflow positive (\$27.9m Q4 FY21)

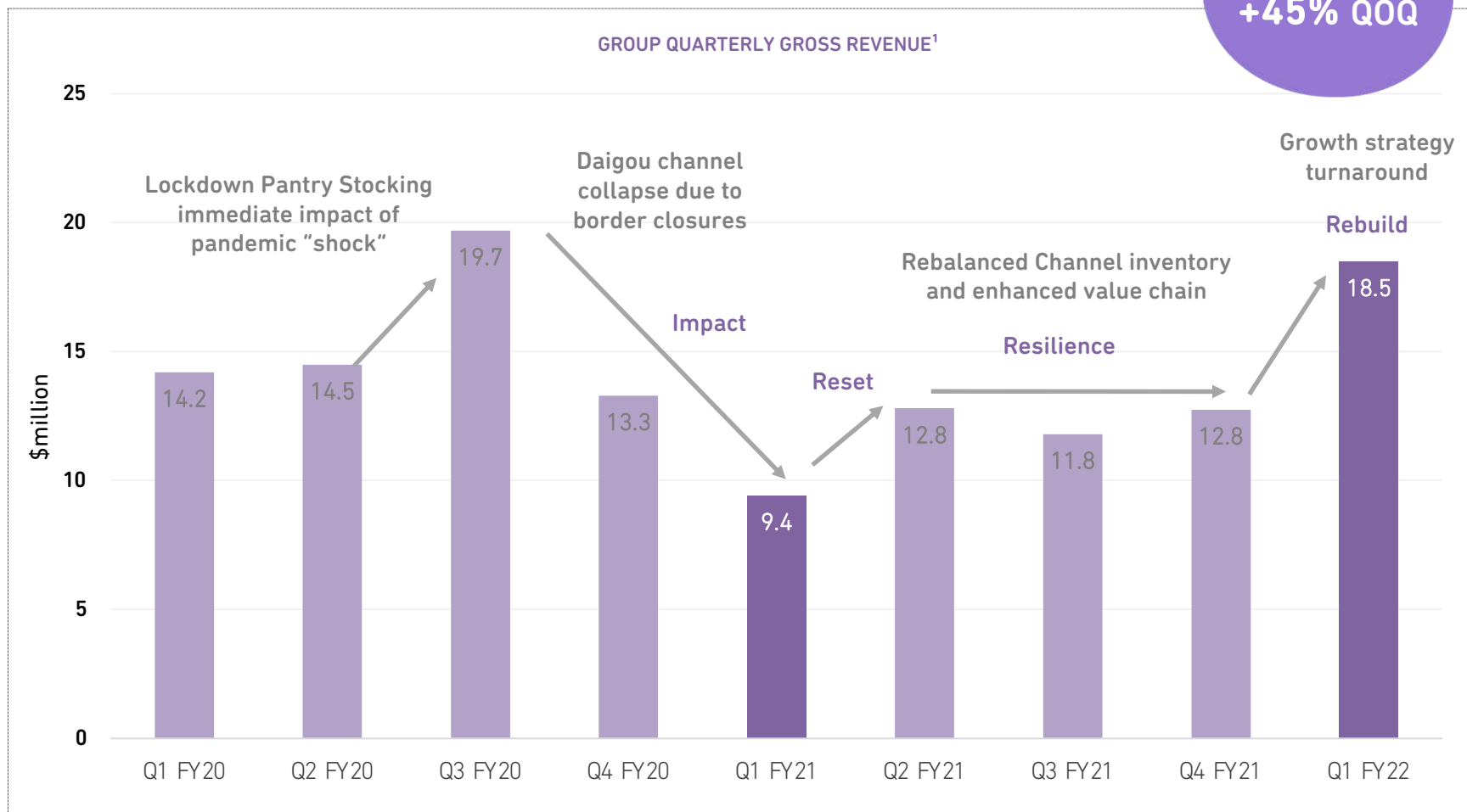
¹ Gross revenue is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Gross revenue represents the revenue recognised without rebates and marketing contribution.

² IRI Scan value scan sales growth pcp, Dollars (\$000's) Baby Formula, Coles, Woolworths and Chemist Warehouse combined Quarter to 26.09.2021.

REBUILD TO RETURN TO ACCELERATED GROWTH

Business growth strategy reflects transformation of business in post-COVID era.

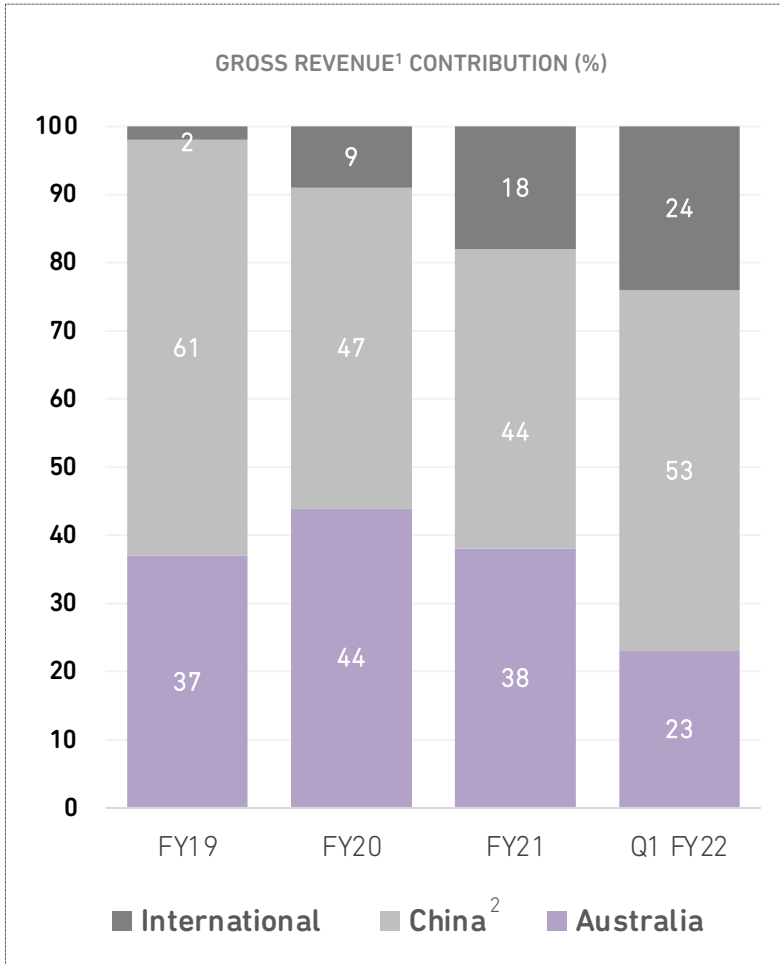
+96% pcp
+45% QOQ



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EXPORT FOCUS: MARKET DIVERSIFICATION

Global expansion strategy continues with advances in China² Channels and new markets across SE Asia and USA.



Domestic home base continues to outperform

- Bubs domestic retail sales continue to grow well ahead of the category with 35% scan sales growth³, reinforcing our position as the lead challenger brand.

China integrated eco-system in high growth

- Reclassification of Q1 FY22 and prior years market segmentation with Daigou and Cross-border e-Commerce channels merging into one integrated ecosystem.
- Working alongside our strategic partners, Bubs has restructured our value chain to deliver enhanced margins and rebalanced channel inventory, thereby enhancing channel confidence and stimulating a surge in demand.

Increased focus on export to new markets

- Advances in new market development in SE Asia and USA.
- Leveraging our specialty dairy expertise and manufacturing capabilities to develop B2B solutions for global customers.

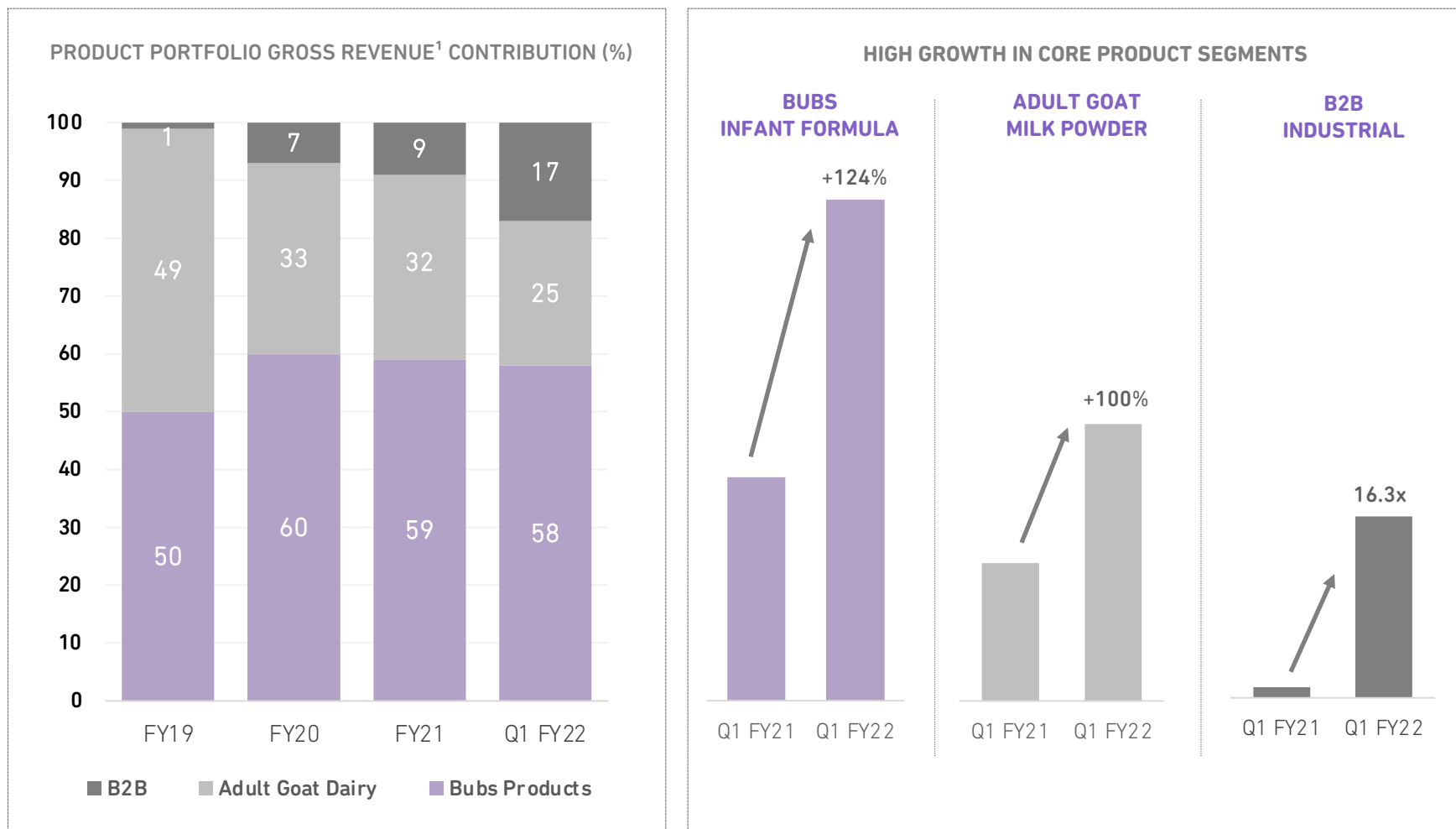
¹ Gross revenue is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Gross revenue represents the revenue recognised without rebates and marketing contribution.

² China: CBEC, Daigou and General Trade reporting, reflecting the change in channel classification away from the location of the customer, to the location of the end consumer.

³ IRI Scan value sales, Dollars (\$000's) share of total Baby Formula, Coles, Woolworths and Chemist Warehouse combined Quarter to 26.09.2021

EXPANDING PRODUCT MIX

Focus on Bubs Infant Formula as key profit margin driver, optimising milk pool utilisation and building B2B Industrial offering.



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CHINA STRATEGIC OUTCOMES



TURNAROUND TO **ACCELERATED GROWTH**

Responding to rapidly changing market dynamics, Bubs revamped business strategy was successful in returning the business to high growth during the quarter, overcoming COVID-19 disruption and challenging macro environment.



PROTECTING HOME BASE HERITAGE

Continued brand investment to sustain market share and strong retail footprint in national grocery and pharmacy retailers.



SUSTAINING VALUE CHAIN CONFIDENCE

Rebalanced channel inventory to meet stabilised demand and restructured value chain with all parties benefiting from enhanced margins.



CHINA CHANNELS MERGE

Leveraging brand equity in China by growing CBEC brand presence, combined with reinvention of the Daigou channel driving peer endorsed sales.



EXPORT DIVERSIFICATION

Renewed focus on new market access across SE Asia and USA, as well as creation of B2B industrial sales channel with Deloraine Dairy Solutions.

CHINA: ALL CHANNELS IN HIGH GROWTH

360° China¹ Channel Strategy with transformed Daigou e-Commerce peer-endorsement, plus growing CBEC and O2O brand awareness and new user recruitment efficiency, bringing Bubs closer to our end consumers.

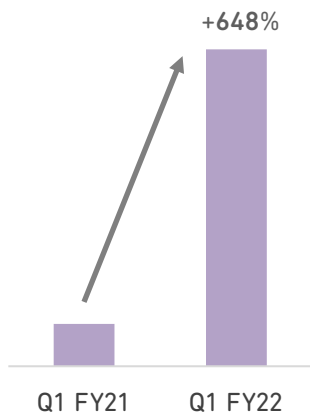
CORPORATE DAIGOU CHANNEL

Building channel confidence with improved margins and balanced channel inventory to meet stabilised demand.

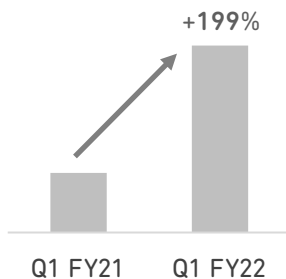
+451% pcp Gross Revenue² Growth



BUBS INFANT FORMULA
6.5x gross revenue² pcp
+265% QOQ



ADULT GOAT DAIRY
2x gross revenue² pcp
+86% QOQ



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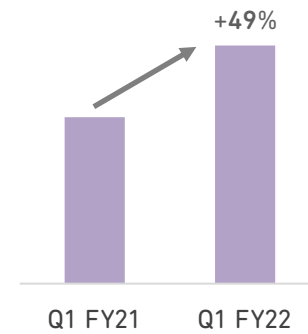
CROSS BORDER E-COMMERCE (CBEC)

Continued investment in building brand awareness and improving conversion efficiency.

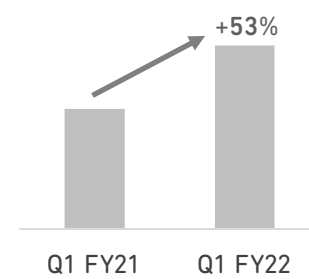
+50% pcp Gross Revenue² Growth



BUBS INFANT FORMULA
+49% gross revenue² pcp
+19% QOQ



ADULT GOAT DAIRY
+53% gross revenue² pcp
+8% QOQ

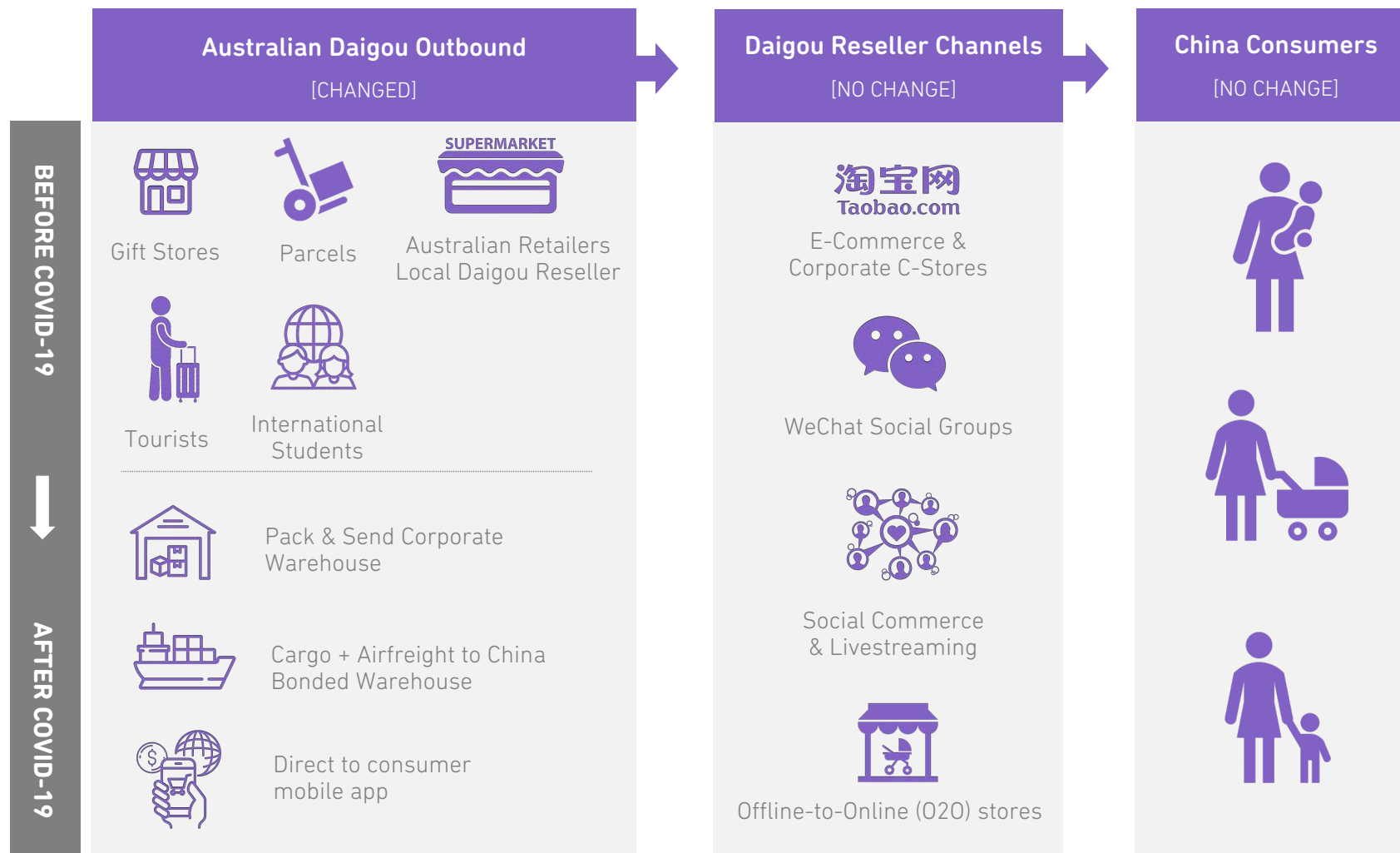


¹ China now includes Daigou eg. AZ Global, including community stores through AZG channel and CBEC (e.g., Alibaba, JD.com, O2O) and General Trade sales.

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DAIGOU 2.0 RE-ROUTING PRODUCT POST COVID-19

Daigou Channel rapidly evolving towards social e-Commerce with bulk freight shipped directly to China bonded warehouses. Consumer demand for Bubs® products has remained strong throughout the pandemic and continues to accelerate.

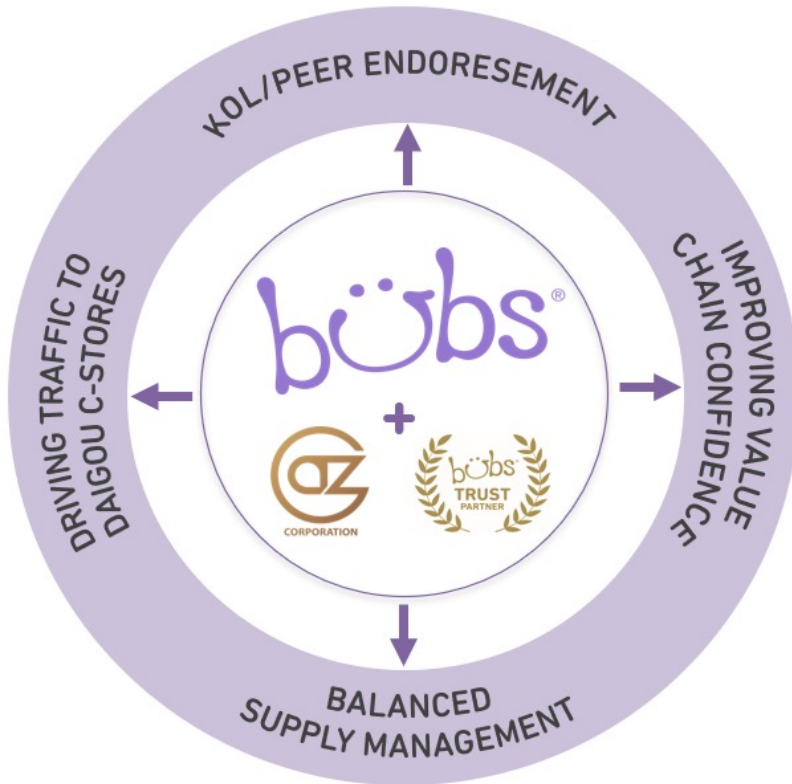


CHINA: DUAL STRATEGY TO ACCELERATE TURNAROUND TO GROWTH

Integrated China channel strategy with transformed Daigou to online, e-commerce peer-endorsement channel, combined with growing CBEC and O2O channel brand awareness and new user recruitment efficiency.

DAIGOU STRATEGY

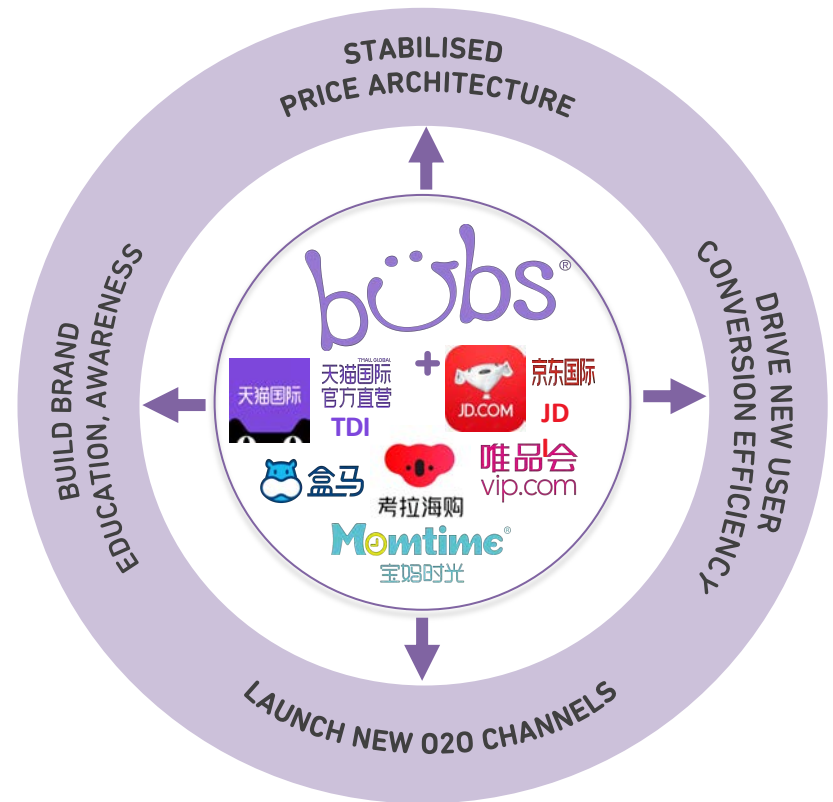
Transformation made possible via accelerating channel confidence with improved value chain confidence and strong brand equity.



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CBEC & OFFLINE TO ONLINE (O2O) STRATEGY

Driving continued growth via stabilised value chain with increasing brand education and conversion efficiency.



ACCELERATING TURNAROUND TO GROWTH

CHINA: BUILDING OFFLINE-TO-ONLINE (O2O) CHANNEL

Expanding coverage in physical Mother & Baby stores and supermarkets with display of empty English label tins to enable interface with store professional staff and physical interaction with Bubs product.

BUBS NOW AVAILABLE IN GENERAL TRADE CHANNEL VIA O2O STORES FOR ENGLISH LABEL PRODUCT



Momtime Mother & Baby stores



Flagship Hema (Alibaba) stores



AZ Global Community Stores



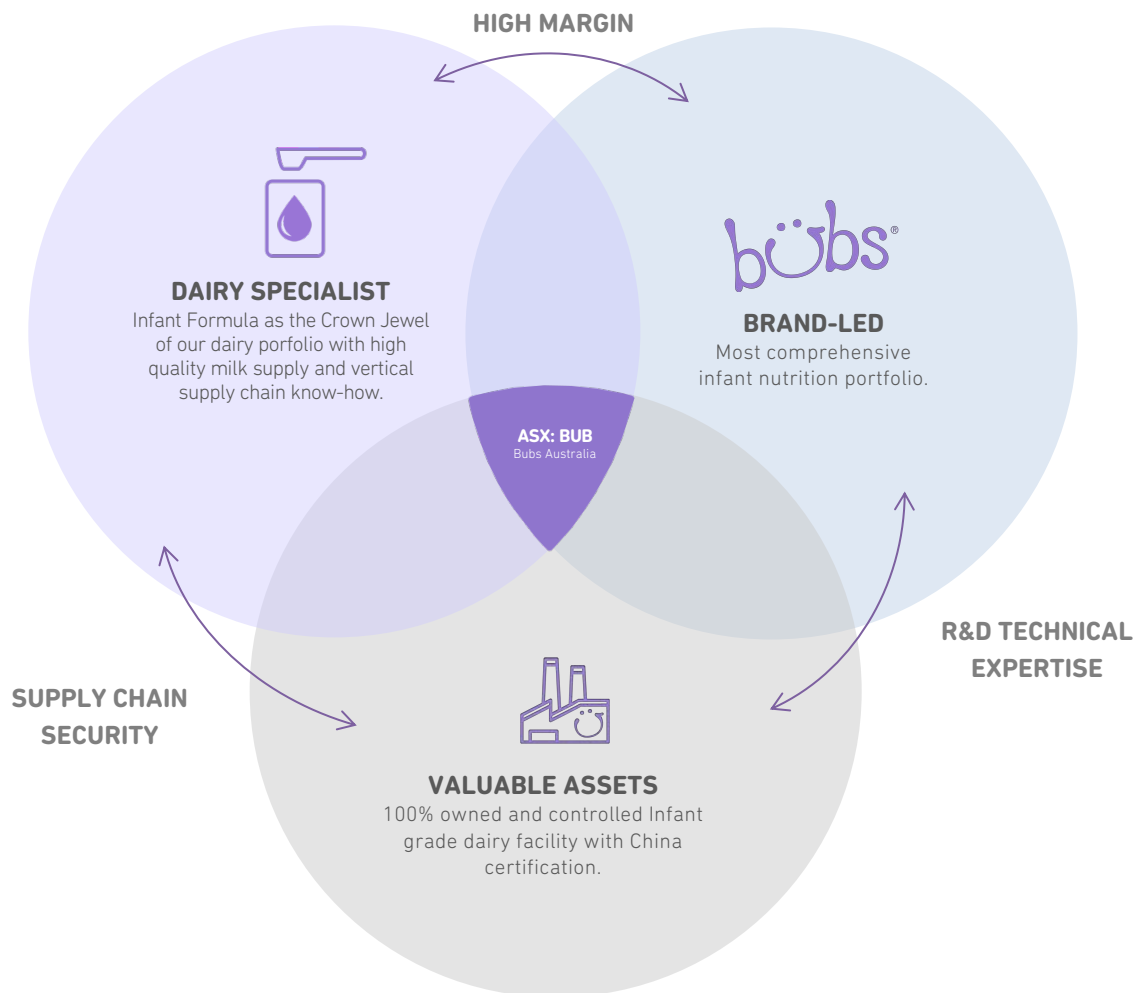


BRAND GROWTH OPPORTUNITY



OUR UNIQUE VALUE PROPOSITION

360° integrated business model, combining the best of an ingredient and manufacturing business, together with a brand-led and consumer focused portfolio driven business.



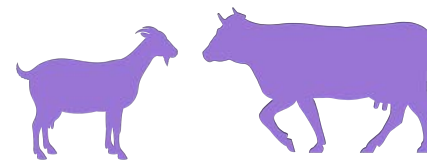
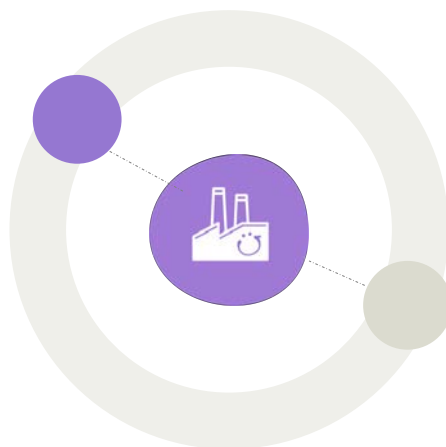
POWERED BY BUBS®

Our **Bubs Brand IP** remains the critical powerhouse of our growth, underpinned by our broad **Dairy expertise**.



Bubs Brand Equity is our value driver

Our brand IP drives the inherent value of our business. Our strong DNA is at our core. Our growth is powered by Bubs.



Dairy Expertise is our core competency

Our base is firmly grounded in Dairy. We are the goat dairy specialists, supported by our strong bovine dairy expertise.

EXPANDING BUBS® BRAND STRENGTH

Our **brand connection with consumers** builds brand trust and fuels greater opportunity for **brand growth**.

BRAND GROWTH OPPORTUNITIES



- Bubs® consumers are more likely than the category average to be 25-34 years and over-index in first and second-tier urban cities.
- Consumption and household spending indicates they're more likely to be middle to upper income levels.

IMPLICATIONS FOR BUBS®

Leverage opportunity to build brand equity and brand trust with product solutions to meet different consumption needs and occasions across the different life stages.

PROVEN BUBS® BRAND STRETCH

We have already demonstrated ability to successfully stretch **Bubs® brand equity** into new **categories**; consumer segments and occasions **to expand brand accessibility and relevance across different consumer needs.**

INFANT MILK FORMULA



JUNIOR NUTRITION



ORGANIC BABY FOOD & SNACKS

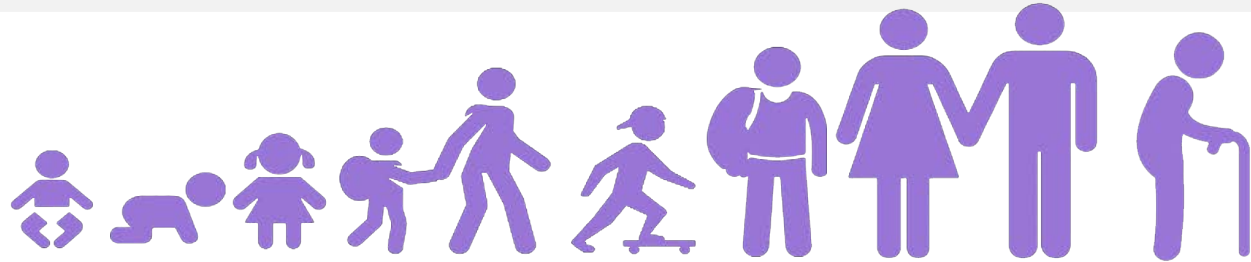


VITAMINS & SUPPLEMENTS



INTRODUCING OUR NEWEST **EXTENSION TO THE BUBS FAMILY**

DAIRY HEALTH & WELLNESS – LIFE STAGE & NEED STAGE



Infant,
Toddler &
Junior
Nutrition:



Family
Nutrition



UNDERPINNED BY BUBS® TRUSTED NUTRITION

Expanding **Bubs Brand IP** across the broader everyday, family consumption occasions to drive volume growth, underpinned by our existing broad Dairy expertise, customer relationships and market coverage.



BUBS® TRUSTED
NUTRITION IS
YOUR GOLD SEAL
OF APPROVAL.



OUR SUPPLY
CHAIN
SECURITY



OUR MILK
CONVERSION
PROCESS



OUR HIGH
QUALITY &
TESTING
STANDARDS



OUR
FARMERS

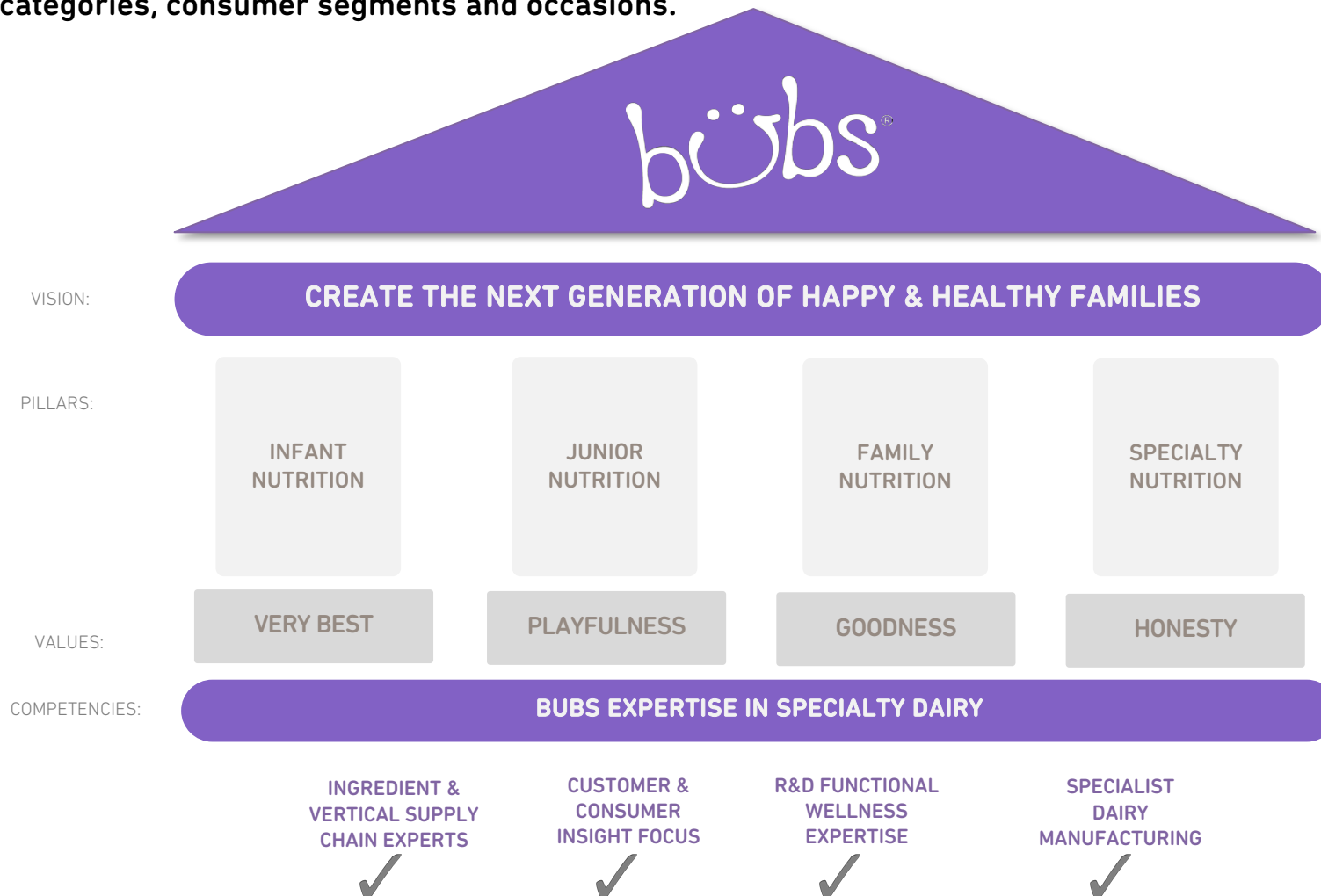


OUR CLEAN
LABEL
FORMULATIONS



BRAND GROWTH PILLARS

Our proven specialty in Dairy provides continued growth opportunity to stretch **Bubs® brand equity** into new categories, consumer segments and occasions.



DISCLAIMER

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Certain non-IFRS financial information has been included to assist in the making appropriate comparisons with prior periods to assess the operating performance of the business. Bubs uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IRFS information has not been subject to auditor review.

Unless otherwise stated, all dollar values are in Australian dollars (\$) or A\$). A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.

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Growing Generation Joy